



HANWHA ENERGY USA HOLDINGS CORPORATION
300 SPECTRUM CENTER DRIVE, SUITE 1020,
IRVINE, CALIFORNIA 92618
T+1 949 748 5970

January 26, 2022

Via Email:

Governor Michelle Lujan Grisham
Office of the Governor
490 Old Santa Fe Trail, Room 400
Santa Fe, NM 87501
Attn: Nora Meyers Sackett
nora.sackett@state.nm.us

Dear Madam:

174 Power Global stands in support of HB 4, the Hydrogen Hub Development Act.

174 Power Global is a leading solar and energy storage project developer focused on North America's utility and C&I energy markets. The company is wholly owned by the Hanwha Energy Corporation, and has offices in Houston, Irvine, California and New York City. With deep expertise across the full spectrum of the project development cycle, 174 Power Global works closely with utilities, landowners, local communities, financial investors, and other partners to build highly productive, utility scale and C&I solar power plants throughout North America. Since its formation in 2017, 174 Power Global has signed over 3 gigawatts (GW) of power purchase agreements (PPAs) with more than 8 GW of additional solar projects and 10GWh of ESS projects in the development pipeline. 174 Power Global is uniquely positioned to become a leader in the Green Hydrogen economy by leveraging its core strength in utility-scale PV and ESS generation development and operation to fuel the growth of GreenH2. 174 Power Global also is affiliated with Chariot Energy, a retail energy provider that provides 100% clean, renewable solar energy to the Texas market. Chariot Energy is transforming the energy supply for Texas while modernizing and simplifying the way solar energy is sold and delivered. 174 Power Global's name was inspired by the 174 petawatts (PW) of power the earth receives from the sun at any moment.

174 Power Global is actively pursuing and developing potential renewable projects in the State of New Mexico.

HB 4 is a timely proposal that would position NM as a national leader in the development of clean hydrogen. Oftentimes, when discussing how to transition from a carbonized fossil fuel economy to a decarbonized renewable economy, policymakers are asked what will happen when "the sun isn't shining and the wind isn't blowing." Clean hydrogen will help in filling that gap. It will support the transition to net zero carbon in NM, while at the same time bolstering the energy infrastructure of the state. It will also reduce the state's traditional dependence on oil and gas fuels, while at the same time making environmentally conscious use of the state's abundant oil and gas resources.

And in so doing, the State will also incentivize economic development and job creation – and not just in urban areas, but also including rural areas of the State. Rural areas of NM desperately need economic



development; as Census results have shown, “[a]mong rural areas, poverty rates varied from a low in Connecticut (4.6 percent) to a high in New Mexico (21.9 percent).”¹ The pandemic has only made these urban-rural inequities worse as it pertains to finances, mental and physical health,² so it is all the more important to focus on post-pandemic recovery in rural areas as well as rectifying the pre-existing inequities in those areas. HB4 is an important step in the right direction toward economic development in rural areas of New Mexico.

HB 4 is also environmentally conscious about how to incentivize a hydrogen industry in New Mexico. Initially, the bill would increase the degree of incentive according to greater degree of decarbonization. HB4 at §§ 15-17. Beyond that, the statute also has built-in environmental protections as to the manner of hydrogen development in the state, requiring that a “clean hydrogen electric generation facility” must emit no more than “three hundred seventy-five pounds of carbon dioxide equivalent per megawatt hour.” *Id.* at §§ 2(D), 20, 21. In addition, the bill provides that the natural gas to be used must also be “responsibly sourced,” meeting either the federal standards for responsible gas sourcing or state standards, as supervised by the department of the environment. *See, e.g., id.* at §§ 2(O), 7(A)(3), 15(O)(15), 16(M)(15). And, finally, the bill creates a regulatory process for addressing all aspects of emissions resulting from generating and using hydrogen. *Id.* at § 18.

In sum, 174 Power Global respectfully requests your support for HB4. The bill will support economic development and New Mexico’s decarbonization goals while making an environmentally conscious use of the state’s abundant oil and gas resources, all toward the end of clean transition to net zero carbon.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carolyn Byun", written in a cursive style.

Carolyn Byun
COO and General Counsel

¹ See <https://www.census.gov/newsroom/press-releases/2016/cb16-210.html> (last accessed January 26, 2022).

² See <https://www.pnas.org/content/118/1/2019378118> (last accessed January 26, 2022).